

# AGENDA

## Newport News City Council Work Session

June 9, 2015

*10<sup>th</sup> Floor Conference Room  
City Hall*

- 3:30 p.m.    I.    Closed Meeting
- 5:15 p.m.    II.   Review of Hampton-Newport News Community Services  
Board (HNNCSB) Payment Agreement with Moral  
Obligation
- 5:45 p.m.    III.   Comments/Ideas/Suggestions
- IV.    Adjourn
- 6:00 p.m.    V.    Dinner

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

June 3, 2015

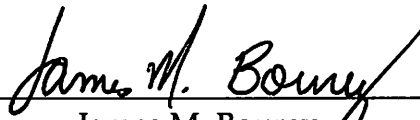
**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** Council Action in Support of Hampton-Newport News Community Services Board (H-NNCSB)

The Hampton-Newport News Community Services Board (H-NNCSB) has approached the City to request assistance in lowering expenses associated with its long-term debt at its Hampton Medical Center. With the approval by City Council of a Moral Obligation, H-NNCSB will be able to secure a much more favorable bond rate, leading to an estimated savings, associated directly to the Moral Obligation, of nearly \$350,000 over the next seven years. The \$350,000 would be in addition to significant savings as a result of restructuring of debt. The revenue and refunding bonds would be issued by the Virginia Small Business Financing Authority in a principal amount not to exceed \$15.6 million. While H-NNCSB will be guaranteeing all of the debt, the City's Moral Obligation would only be for \$14.5 million associated with H-NNCSB's Hampton Medical Center and would only be called upon if H-NNCSB is unable to cover its debt service payments during the course of a given year.

Staff from H-NNCSB and its bond counsel, George Consolvo, as well as City staff from the Departments of Development, and Budget and Evaluation will be available for questions and to provide a short presentation at your June 9, 2015 Work Session. Formal approval of the Moral Obligation will be sought at your June 23, 2015 City Council meeting.

  
James M. Bourey

JMB:bcw

cc: Florence G. Kingston, Director, Department of Development  
Lisa Cipriano, Director, Office of Budget and Evaluation